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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER JERRY D. OLDS
Executive Director *State Engineer/Division Director*

October 7, 2005

Colleen Gnehm, Water Commissioner
Logan River Distribution System
195 West 1800 North
Logan, Utah 84321

Dear Colleen:

I am writing in answer to your letter of October 5, 2005. Your expense reports looked fine. One suggestion I would make is to lump all your equipment and supplies expenses into one figure on equipment and supplies line on the pink voucher sheet and attach a separate sheet showing the detail and explanation if necessary. Also, the shipping expenses for any equipment or supplies would be considered part of the equipment and supplies expense.

As far as I know the mileage rate on the Logan River Distribution System is \$0.45 per mile. There have been no changes that I can remember or am aware of. This is an item that could be changed during the budget portion of the annual meeting.

In the past I think we have been sending a 1099 to Terry for the expenses that were reimbursed to him; I don't think they were paid as salary. I discussed this with our budget and accounting officer and he said that is what we have been doing. Attached are copies of the 1099 accounting sheets that were prepared for 2003 and 2004 by our budget and accounting officer. I'm not sure where the misunderstanding arose but if you have further questions about it please give me a call. We plan to send out 1099s in similar manner next year for 2005.

I hope this helps. We certainly appreciate all that you are doing on the Logan River. If you have any other questions please don't hesitate to contact me by phone at (801)538-7380 or by e-mail at LeeSim@utah.gov.

Sincerely,

Lee H. Sim, P.E.
Assistant State Engineer

October 5, 2005

Dear Lee,

Enclosed are 2 separate expense reports. One is for the Lower Bear River System, which includes postage expenses for sending the resumes to review for the Commission position, to all the Committee Members. I have also included some mileage in late May and early June. I made sure that the recorder was installed and working at the Blacksmith Fork flume. There were problems at this site and later I took Jim Watterson to help him get familiarized with the diversion. Will Atkin met us there and we discussed the problem with the diversion. It was shortly after this that the recorder was pulled and a data logger (meter) was installed at the site.

The second expense report is for the Logan River System. These are expenses which have been incurred during the year to date. There are also two receipts for expenses that were incurred last year. One is for the repair of the recorder and the other for supplies. Terry did not want to submit these expenses last year because they had not been discussed. It is my understanding from the meeting in February, that it was okay to go ahead and submit them for payment.

You told me that the mileage rate is \$.45/mile. Has it changed or is this something that needs to be taken care of at the annual meeting?

Please let me know if these are errors on these expense reports and you need me to do something different with them.

I have one more recorder that seems to be giving me fits. We may want to start getting some numbers (\$) for data loggers to present at the meeting in February. Some of the recorders, I do believe should be gradually phased out and replaced with something else.

I have one more item of concern. In the past, these expenses have always been paid to Terry as salary. My accountant has asked me to make sure that they ARE NOT treated as such this year. These expenses are NOT SALARY and should not be taxed. I should receive a 1099 form at the end of the year for the expenses paid along with my W2 for salary. Will you please pass this information along to whoever is over these finances so they can make sure that this year they are recorded appropriately to begin with. I hate to make more work for someone at the end of the year during a very busy time, and have them go back and redo things correctly.

I have also enclosed an envelope with labels for the two 2004 Logan River Annual Reports that were sent back to SLC with you. There was a problem with the dates printing correctly in the Daily Log. These labels have been fixed and are to be placed directly over the numeric dates printed.

Thank you for all your help, friendship to Terry and myself, and the support you and Water Rights have given me in regards to this job. Please let me know if there are things that I may not be doing or if there are any problems brought to your attention that I should be aware of.

Sincerely,



Colleen Gnehm